

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 28, 2007
POSITION: Neutral
SPONSOR: California Association of Collectors

BILL NUMBER: SB 350
AUTHOR: G. Runner
RELATED BILLS: AB 774 (2006)

BILL SUMMARY: Hospitals: Discount Payment and Charity Care

This bill would make technical and clarifying adjustments to existing statute relating to collection activities associated with hospital discount payment and charity care policies.

FISCAL SUMMARY

There would be no fiscal impact to the state associated with this bill. This bill would not alter the hospital inspection process performed under current law by the Department of Public Health's Licensing and Certification (L&C) Program. It would clarify what information L&C reviewers should expect to find included in hospitals' discount payment and charity care policies. The Department of Health Care Services' Audit and Investigations Program would continue to perform financial reviews to ensure financial need determinations and collection activities were conducted in accordance with statutory guidelines.

COMMENTS

Finance is neutral fiscally with respect to this bill, as it would not result in any additional costs for the state. This bill would:

- Provide detailed guidelines to hospitals for the compilation and use of eligibility information, the collection of payments, and the accrual of interest for discounted and/or charity care hospital services.
- Prohibit any entity from reducing the amount of reimbursement it provides to hospitals for discounted and/or charity care claims. (Existing law already prohibits such reductions for state programs including Medi-Cal.)

Related Legislation

Chapter 774, Statutes of 2006 (AB 774) requires hospitals to develop discount payment and charity care policies and to implement related collection practices.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010		
4265/PublicHealth	SO	No	-----	No/Minor Fiscal Impact	-----				3098	
4260/Hlth Care	SO	No	-----	No/Minor Fiscal Impact	-----				0001	
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
3098	Licensing and Certification Program Fund									

Analyst/Principal (0545) T. Williams	Date	Program Budget Manager Michael Wilkening	Date
---	------	---	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

